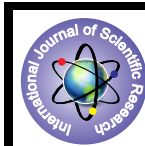


The Gross Operating Surplus of Transportation Enterprises in the Poland and Other Central and Eastern European Countries



Economics

KEYWORDS : Central and Eastern European countries, transport enterprises, gross operating surplus, suggestions.

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ABSTRACT

The purpose of this paper is to analyse the gross operating surplus of transportation companies in the Poland and other Central and Eastern Europe (CEE) or of new European Union (EU) states before and after the economic crisis, and to compare them on the EU level, incl. the Baltic States. How did new EU companies survive the economic crisis? What are the lessons learned? Based on this and previous publications, we will offer a number of generalized recommendations.

1. INTRODUCTION

The four major sectors of the economy with the highest GDP and the largest number of employees are: industry, construction, trade and transportation. We will currently only analyse transportation. The situations before the crisis, during the crisis and after the crisis will be viewed.

Gross operating surplus in eight Central and Eastern European (CEE) countries (Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovenia and Slovakia) has been analysed. New EU member states, Malta and Cyprus, have been excluded. Let us attempt to draw comparisons with the Baltic States.

The growth of the entire economy, measured using GDP, will be viewed as the background. However, the main emphasis is on the analyses of the indicators of transport companies in CEE countries, and in particular, on gross operating surplus.

The definitions and methodology used by the authors have been specified in Eurostat (Methodological Notes. EU-LFS) [2].

The theoretical bases and methodology have been brought in more detail in the authors' earlier works [2-7].

2. ANALYSES

2.1 Gross domestic product (GDP)

Based on this background, we will look at global future, with emphasis on Europe, but also on the economic development and demographic situation of developed industrial states, such as the USA, Japan, etc., in comparison to the developing countries in Asia, primarily China, India, etc.

The economy of the USA (GDP) has generally developed quicker than that of the EU; the pre-crisis years from 2006 to 2008 are the only exception. The decline in the EU was significantly higher in 2009 than in the USA. While the EU economy was negative in 2012, increment in the USA was 2.2%. According to the Eurostat prognosis, the EU economy (GDP) will also experience a small decline in 2013, the USA will experience normal growth for a highly developed industrial country.

Real GDP growth rate in 2012: EU-27 = -0.3% and the euro area (17) = -0.6%. [8]

Before the crisis, all CEE-8 countries experienced large increases. All of the states experienced a great GDP decline in 2009, except Poland, which was the only EU country, where the economy did not decline. While in 2010, Croatia (-2.3%) and Romania (-1.1%) were still experiencing GDP declines, in the following year, none of the countries no longer had negative GDP. However, in 2012, half of the countries under observation here, once again experienced an economic decline. According to the Eurostat prognosis, the Czech Republic, Croatia and Slovenia will also experience a decline in 2013. In 2014, the only country to still be in decline, will be Slovenia (-0.1%).

The GDP increase in Poland was already relatively large before

2009 (+1.9%). As the only EU country, Poland did not even experience an economic decline compared to the previous year during the most difficult time; of course, the tempo of the increase varied.

On the other hand, it must be highlighted that Poland does have the largest economy and population of all 13 new EU member states. If we want to provide an overall evaluation of the 13 new member states, it must be kept in mind that Poland's level has the most influence. [8]

2.2 Gross operating surplus of transportation and storage

Table 1. Gross operating surplus. [9]

	2005	2008	2009	2010
Bulgaria	:	729	590	742
Czech	1,768	2,596	2,163	2,244
Hungary	1,058	925	826	1,089
Poland	3,865	6,333	4,544	5,708
Romania	833	1,898	1,265	1,773
Slovenia	357	560	399	784
Slovakia	:	379.0	208.0	858.9
Croatia	:	856.1	639.4	638.3

The prevailing trend is the following: a decrease in 2009, followed by an increase in the following year (except for Croatia). Compared to 2008, Hungary, Slovenia and Slovakia experienced larger gross operating surplus indicators in 2010, having increased nearly threefold for the latter country.

Table 2. Share of gross operating surplus in value added. [10]

	2005	2007	2008	2009	2010
EU-27	:	:	34.8	31.6	35.8
Bulgaria	:	:	49.7	44.0	49.8
Estonia	52.9	41.5	40.3	47.6	53.6
Latvia	:	:	50.3	49.3	50.5
Lithuania	50.9	52.0	42.4	36.2	44.0
Czech	:	:	39.3	37.6	38.2
Hungary	30.8	35.6	24.4	24.6	30.1
Poland	48.3	52.5	48.3	45.1	48.2
Romania	40.1	39.6	44.3	37.8	46.2
Slovenia	33.1	32.9	36.4	29.5	45.3
Slovakia	:	:	24.3	15.3	41.3
Croatia	:	:	39.9	36.6	37.3

Share of gross operating surplus in added value is one of the most important indicators of effectiveness of these ratios – it enables comparing richer and poorer countries.

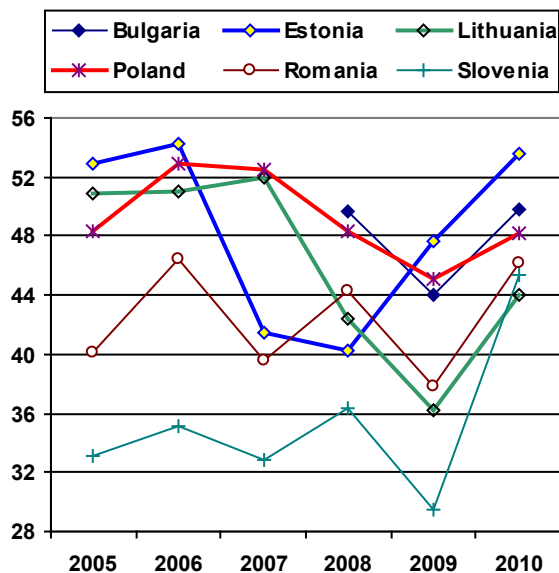


Figure 1. Share of gross operating surplus in added value in CEE and the Baltic countries of the EU. [10]

This indicator was higher for the Baltic and Eastern European countries. All countries, except for Estonia experienced a decline during the crisis year. However, in 2010 the 2008 level was restored. The decline in Estonia took place earlier, in 2007 and 2008, while a significant increase took place from the crisis year onward.

The level of rich Western European countries remained below the levels of the Baltic and Eastern European states mentioned above.

Based on this and previous publications [2-7], we will offer a number of generalized recommendations.

CONCLUSIONS

1. In 2010, the total number of enterprises in the EU-27 barely exceeded the 2008 level, while the number of persons employed remained below.
2. In 2010, turnover and added value in the EU-27 remained below the 2008 level, while gross operating surplus was higher.
3. In 2010, apparent labour productivity and gross operating rate in the EU-27 were higher than in 2008. Total turnover per person employed in the EU-27 grew in 2009 and 2010 compared to 2008. According to this indicator, transportation and storage successfully overcame the crisis year 2009.

4. In Eastern European countries (CEE-8), average sized companies were most effective.
5. The CEE-8 country with the largest economy is without a doubt Poland.
6. As a rule, the number of enterprises in CEE-8 countries grew in 2008, declined in 2009 and increased again the following year, though remained below the 2008 levels. The number of single person firms increased during the crisis, since the number of employed person in micro and average sized companies decreased.
7. Gross operating rate was higher in all CEE-8 countries (except for Hungary) than the EU-27 average.
8. Of the CEE-8 countries, Slovakia had the largest number of persons employed in large companies (62.4%), while Slovenia had the smallest (41.1%). Poland had the largest share of persons employed in micro companies (35.9%).
9. Share of gross operating surplus in added value was higher in the Baltic and Eastern European countries, than in the EU-15 countries.
10. In principle, the transportation companies of the CEE-8 countries as a whole exited the economic crisis successfully. On the other hand, the crisis meant the death of thousands of companies and a rise in unemployment.
11. The key indicators did not act similarly for all countries during the economic crisis and as a result, the crisis took different paths in different countries. The consequences and reasons of the crisis varied greatly. In order to provide a definite evaluation, other key indicators must also be viewed as an interconnected set.
12. The key indicators of transportation companies are strongly influenced by the situations of other areas of the economy, especially industry, construction and trade.
13. It must be taken into account that the economy (GDP) of four of the CEE-8 countries was negative in 2012, which means that the economy was in decline.
14. Significantly decreasing the number of incompetent managers and hiring a large amount of specialists also helped exit the economic crisis successfully and thus saved the economy of the state.
15. On the other hand, it is an objective inevitability that the market economy develops cyclically, with highs and lows. Those managers, who were more knowledgeable of the laws of the economy and managed to use them to their advantage, were better at exiting the crisis.
16. In the current conditions of increasing globalization, the economic situation of partner states has more and more influence, especially on smaller states. Success depends on whether companies have been able to find business partners, especially abroad. But at times also on how quickly they have been able to find new, solvent partners.
17. The economic crisis cleansed the business market of weak companies, also in the field of transportation, thus creating grounds for new development.

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